

Governing

Premises, principles and responsibilities

Nacka



Nacka is governed based on its vision, core value and objectives

The municipality's vision "Openness and diversity"

The municipality's core value

"Confidence in and respect for people's knowledge and their own capacities – and their willingness to shoulder responsibility"

The municipality's vision and core value are to permeate all its decisions and all public services and activities while supporting its guiding principles.

These two concepts describe what type of community the elected representatives want the geographical area of Nacka to be.

The vision and core value define the life and soul of the Municipality of Nacka and express what the municipality stands for and how it wants to conduct itself in relation to its citizens; as well as what the citizens of Nacka should expect from their elected representatives and the activities that they jointly finance.



The municipality's eight general objectives

- Excellent municipal services
- Efficient utilisation of the municipality's resources
- A high degree of citizen participation and empowerment
- A great deal of freedom of choice
- The lowest possible tax rate and charges that can be influenced
- A balanced municipal economy
- A clean, safe and healthy living environment and long-term sustainable growth
- A safe and secure municipality

The municipality concept in Sweden describes a geographical subdivision for local self-government that has its foundations in Chapter 1, Section 1 of the Instrument of Government.

The municipality is authorised to levy taxes on its residents in order to finance and produce certain public services and has the legal authority to make unilateral decisions that are binding on or provide legal entitlement for individuals or groups of individuals.

Local self-government comprises the right to make decisions within certain areas. This decision-making power means that the municipality is the authority responsible for the public services and other activities about which it is legally empowered to make decisions.

This power is based in:

- Chapter 2, Section 1 of the Local Government Act, which states that municipalities may attend to matters of general concern which are connected with the area of the municipality or with its citizens and which are not to be attended to solely by the state, the county council, another municipality or some other body.
- Other laws which state in some way that it is the municipality which makes decisions on or deals with the area/matter in question.

In every municipality there is a decision-making assembly, the Municipal Council. The members of the Municipal Council are elected directly by the citizens entitled to vote in the municipality.

Through this election, the citizens give the council members the right to make decisions on their behalf. The Council decides how many committees there will be in the municipality and appoints the Municipal Executive Board, as stipulated in the Local Government Act. The Municipal Council appoints members and substitutes to these committees.

The Council's decisions in bylaws state which committee is to deal with which area within the municipality's sphere of authority and powers vested in it.

In a municipality like Nacka, which applies management by objectives and financial control through budgetary frameworks, the Council decides every year what objectives the committees should achieve within their respective remits and allocates them a budgetary framework within which to finance their respective areas.

Four guiding principles

Four guiding principles complement the premises on which local government of the Municipality of Nacka is based:

- The separation of financing from production
- Competition through consumer choice or competitive tendering
- Competition neutrality
- Delegation of responsibility and authority to the lowest qualified level

The separation of financing from production

The municipality of Nacka's activities and organisation consist basically of three parts:

- Politics
- The tasks associated with responsibility for providing main processes and also exercising public authority
- Production

Within the political arena, there is the Council, the Municipal Executive Board and the other committees. Their task, as the representatives of the citizens, is to set the objectives concerning what is to be achieved and how it is to be financed and to follow up and evaluate the provided service.

This includes the tasks associated with responsibility for providing main processes and also exercising public authority. To support the politicians in these tasks, they have an organisation of officials who perform tasks that normally cannot be opened to competition.

The responsibility for organising day-to-day operations rests with those who provide the services financed by the municipality, which may be a private enterprise, an economic association or the municipal production activities.

Competition through consumer choice or competitive tendering

The Council decides the budgetary frameworks and gives the responsible committees funds to finance their respective activities.

There are basically two ways of deciding who is to provide the services:

For individual-oriented services such as childcare, schools, home-help services and care of the elderly, those who are entitled to the service decide through the system of consumer choice.

For services aimed at the citizens as a whole, the decision is made through competitive tendering. Snow clearing, park maintenance, expansion and maintenance of roads, water and sewage are examples of this kind of service.

Within the system of consumer choice, the Council decides what the provider of the service will be paid for the service. This means that those who provide the services compete on the basis of the quality of the service provided and not on price. The consumer choice system means that citizens themselves choose and decide on how they want the services aimed at them to be performed. This is in line with Nacka Municipality's core value and vision concerning openness and diversity. In the procurement of general public services, both quality and price are considered.

Competition neutrality for all services

In order for competition to have the desired effect, the committees responsible for deciding on and financing public services must remain neutral with respect to municipal versus private enterprise providers of municipally financed services. An important basis for competition neutrality is that the amount paid for services is the same, no matter who provides them.

In the consumer choice system, the amount of direct payments or voucher amounts paid to municipal and private providers has always been the same.

A condition for competition neutrality and real competition is that the total expenditure for municipally provided services is identified and covered by the price the service commands.

For this reason, the municipality applies a principle of internal rents and internal prices.





Responsibility and authority to be delegated to the lowest qualified level

The principles of separating financing from production and exposure of municipally financed services to competition through consumer choice or competitive tendering provide great scope for those providing the services. Within municipal production, managers are given the opportunity to decide on how activities are to be shaped based on their knowledge and skills.

This stimulates independence and professionalism. The Council has laid down the principle that responsibility and authority is to be delegated to the lowest qualified level for public service. This provides the basis for independent profit centres within the various service provision areas to compete freely with each other and with private sector service providers.

This principle reflects the core value concerning confidence and trust in the individual's free will and capabilities. The principle also applies to the organisation that is responsible for exercising public authority. In this instance, it stands for confidence and trust in the individual official to make decisions and manage the exercising of that authority on behalf of the committees within the framework of the guidelines adopted.

This is one of the cornerstones for ensuring the simple and smooth exercising of authority in matters where decisions in principle have been taken and where there is an established practice.

The Council governs the committees

The Council governs the committees through:

- The bylaws
- Objectives and budgetary frameworks
- Central directives
- Directives on specific matters

The bylaws

The Council uses bylaws to determine what remits and tasks the Municipal Executive Board and the various other committees are to have.

Objectives and budgetary frameworks

By establishing objectives, the Council determines what the committees are to achieve within their respective remits. The Council also decides on funding and through budgetary frameworks allocates the necessary financial resources to the committees. The bylaws, objectives and budgetary frameworks thus complement each other.

Central directives

The Council also issues directives to the committees through bylaws. These apply to all the committees, irrespective of their remits. This category includes:

- Bylaws with regulations that apply to all committees in the Municipality of Nacka
- Bylaws on accounting
- Bylaws on financial control
- Bylaws on procurement
- Bylaws on politicians' remunerations

Directives on specific matters

Naturally, the Council can also issue to the committees directives on, or the authority to decide on, specific matters. In most cases this is carried out in connection with the Council's work on the objectives and budgetary frameworks.

The Municipal Executive Board manages and coordinates

Under the Swedish Local Government Act, the Municipal Executive Board is to lead, direct and coordinate the administration of the affairs of the municipality. The Municipal Executive Board is also to supervise the activities of the other local government committees and be responsible for the municipality's financial administration.

Through policies, the Municipal Executive Board also provides directions and guidelines in a number of areas. These policies include the personnel policy, communications policy and environmental policy.

The Municipal Executive Board decides on solutions towards achieving the overall objective of the most efficient utilisation of the resources available, for example municipal operations having a joint system for accounting and personnel administration as well as joint information systems.

Major responsibility for the finance committees

The committees fulfil their task of financing an activity based on the aims adopted by the Council through the consumer choice system and/or procurement. Within the consumer choice system, the consumer of the service is effectively the purchaser.

It is the task of the committee to ensure that there is a supply that meets the demand and to ensure that the providers deliver a quality of service that meets requirements. The committee is thus responsible for the monitoring and evaluation of the services provided.

For those parts of the consumer choice system where no state authorisation system applies, the finance committee is also responsible for authorising providers.

For services that are procured by tender, the committee is responsible for the procurement of providers and for ensuring through contracts that the service provided meets the objectives. The committee then monitors and evaluates the service.

The Municipal Executive Board's personnel and operational responsibilities

The Municipal Executive Board is responsible for all personnel in the municipal organisation. Through its activity committee, the Municipal Executive Board furnishes the production of public sector services to the extent demanded. These are termed production activities.

Governance

In an instruction, the Municipal Executive Board has delegated responsibility for the governance of the municipal production activities. This instruction delegates the tasks and responsibilities of ownership of these activities to the activity committee.

The instruction also covers the Municipal Executive Board's responsibility for the officials providing main processes and exercising public authority.

Through the instruction, the Municipal Executive Board has determined that each activity manager has complete responsibility for the activity's focus, objective, organisation, finances, results, personnel, working environment and development. The same applies to directors with responsibility for units that provide main processes and/or exercise public authority or perform staff tasks. The instruction prescribes that, according to the principle that responsibility and authority are to be delegated to the lowest qualified level, the director of such an activity is to delegate this responsibility to another manager. The instruction also makes it clear that the city manager is the manager responsible for the activity managers and the municipality's directors. The directors come under the Municipal Executive Office.





Roles and responsibilities of activity managers

The roles and responsibilities of the activity manager are based on the following two principles:

- Their professional role is to decide how the activity is to be set up and implemented to achieve the objectives adopted by the elected representatives
- Responsibility and authority is to be delegated to the lowest qualified level

From this, it can be seen that the activity manager is responsible for creating an organisation that supports the activity in a way that results in these objectives being met.

An activity manager's tasks include drawing up risk and essentiality analyses as the foundation for proposing to the Municipal Executive Board's activity committee objectives and key figures for operations and budgets. The activity manager is to ensure that the activity is followed up, evaluated and developed, and that it achieves the expected outcome in line with the objectives set. The task includes supporting coordination between profit centres. It is the activity manager who appoints and removes profit centre heads, and holds performance reviews and salary negotiations with them. The activity manager is also to function as a source of inspiration, a sounding board and a coach for the profit centre heads. His/her remit also includes representing the activity area in various contexts.

Compared with private enterprise, the role of the activity manager is similar to that of the CEO for a group of affiliated companies, while the profit centre managers are the equivalent of the CEOs of subsidiaries.

Responsibilities of the Municipal Executive Office, the units which provide main processes and exercise public authority and the units which perform staff tasks

The Municipal Executive Office's overall task is to give the Municipal Executive Board and the committees the support and basic information they need to be able to take political responsibility in their respective activities.

In addition, the Municipal Executive Office is responsible for ensuring that the public authority vested in these groups is exercised efficiently, qualitatively and in accordance with the law.

The directors who are responsible for a main process (for example, education, social services, culture; see also the table on page 7) are responsible at the strategic level for giving the committees concerned active support.

Their task includes:

- Supporting the board in carrying out risk and essentiality analyses
- Proposing objectives and key figures for operations and budgets based on areas identified as essential
- Monitoring and evaluating the objectives and financial outcome and working to promote competition within the committee's remit
- Generally assisting and representing the committee as determined by the committee

In addition, directors have special responsibility for ensuring that the main process functions optimally and is continuously improved.

The directors' remits are made clear in the title each director has, such as Director of Social Services, Director of Town Planning, Director of Finance and Accounts, etc.

The role of the majority of municipal directors also includes being manager of the heads of the units providing main processes and exercising public authority within each main process.

Like the heads of the profit centres, the heads of these units have full responsibility for quality and finance within their areas of activity.

The Municipal Executive Office also includes people who are responsible for support processes whose work includes being officially responsible for the Municipal

Executive Board's function of managing and coordinating the administration of the municipality's activities, supervising the other committees' activities, and being responsible for financial administration.

Units that provide main processes, exercise public authority and perform staff tasks

The officials who, along with the Municipal Executive Office, provide support to the elected representatives are organised into units that provide main processes and exercise public authority and units that perform staff tasks.

The officials in the groups who exercise public authority also make decisions on behalf of the committees based on the adopted order of delegation.

Each unit providing main processes and exercising public authority is headed by a manager who is fully responsible for the unit's activities and financial results. This manager is overseen by a director in the Municipal Executive Office. The director bears formally the ultimate responsibility for the rest of the people in the unit too, but it is the unit's manager who bears the ultimate responsibility for the exercise of public authority.

Main processes

A value chain of utilities/spheres of activity to serve the residents of the municipality and those working in the municipality:

- Social services
- Education
- Culture
- Public works
- Environment & town planning
- Sustainable development

Support processes

Strategic support for the main processes and production activities:

- Provision of staff and expertise
- Accounting and financial administration
- Land and real estate ownership
- Communications and public intelligence
- Legal matters relating to the municipality as a whole
- IT
- Trade and industry
- International coordination

Task of providing main processes

- Responsibility for providing the main processes, i.e. financing, performance and monitoring
- Responsibility for initiating activities, consultation, compiling results, evaluations, decision-making and follow-up
- The unit may delegate to another the preparation of decision-related data such as expert analyses, plans, drawings, assessments, etc

If you want to know more about local government in Nacka,
phone 08-718 80 00 or visit the Contact Centre,
Nacka City Hall, Granitvägen 15.

You can also learn more about these matters by visiting
www.nacka.se



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